**Appendix**

**Detailed Rules for the Mock Trading of Nickel and Tin Futures**

**I. General Rules**

1. These rules are formulated by Non-ferrous Metals Department, Trading Department and Technical Operation & Maintenance Center to standardize the trading behavior during the mock trading of nickel and tin futures, ensure the smooth running of the mock trading, and provide investors with a platform for learning, exchange of views and competition on the basis of fairness and justice.
2. Guided under the general principle of “openness, fairness and justice”, the mock trading focuses on mock investment drills and market training. It does not involve any actual monetary transaction or investment and nothing it involves is related to the reality. All the participants are equal under these rules
3. These rules apply to the mock trading only and are binding on all the participants.

**II. Application and Account-opening**

1. Those who desire to participate in the mock trading (hereinafter referred to as “customer”) need to open account on the Internet. Once it is completed successfully they can get the mock account and the password.
2. Virtual account: the initial fund is RMB 10 million. The registered virtual account is used to record the information on customer’s fund balance, products, amount of open interests, amount of margin, and opening and closing-outof a position.
3. The mock trading system shall keep the customer updated about the fund balance, products, amount of open interests, amount of margin, and opening and closing-out of a position in the “trading account”.

**III. Trading Products and Contract Specifications**

1. Trading Products: the mock trading system provides the trading and settlement of nickel and tin futures.
2. Contract Specifications [the parameter of mock contract is no constraint on that of the products listed on the Exchange, and the contract delivery month is the months after July 2015(inclusive)].
3. The Contract Specifications of Nickel and Tin Futures Contracts are shown as follows:

**Standard Nickel Cathode Contract Specifications**

|  |  |
| --- | --- |
| Product | Nickel |
| Contract Size | 1 ton/lot |
| Price Quotation | (RMB) Yuan/ton |
| Minimum Price Fluctuation | 10 Yuan/ton |
| Daily Price Limit | Within 4% above or below the settlement price of the previous trading day |
| Contract Series | Monthly contract of the recent 12 months from January to December |
| Trading Hours | 9:00a.m. – 11:30a.m., 1:30p.m. – 3:00p.m., and other trading hours as prescribed by SHFE |
| Last Trading Day | The 15th day of the delivery month (If it is a public holiday, the Last Trading Day shall be the 1st business day after the holiday) |
| Delivery Period | 5 consecutive business days after the last trading day |
| Grade and Quality Specifications | Standard products: nickel cathode as prescribed in the National Standard of GB/T 6516-2010 Ni9996, with the total content of nickel and cobalt > 99.96%.  Substitutions: nickel cathode as prescribed in the National Standard of GB/T 6516-2010 Ni9996, with the total content of nickel and cobalt > 99.99%, or as prescribed in ASTM B39-79(2013), with the content of nickel > 99.8%. |
| Delivery Venue | SHFE Certified Delivery Warehouse |
| Minimum Trade Margin | 5% of contract value |
| Minimum Warranted Delivery Size | 6 tons |
| Settlement Type | Physical Delivery |
| Contract Symbol | NI |
| Exchange | SHFE |

**Standard Tin Contract Specifications**

|  |  |
| --- | --- |
| Product | Tin |
| Contract Size | 1 ton/lot |
| Price Quotation | (RMB) Yuan/ton |
| Minimum Price Fluctuation | 10 Yuan/ton |
| Daily Price Limit | Within 4% above or below the settlement price of the previous trading day |
| Contract Series | Monthly contract of the recent 12 months from January to December |
| Trading Hours | 9:00a.m. – 11:30a.m., 1:30p.m. – 3:00p.m., and other trading hours as prescribed by SHFE |
| Last Trading Day | The 15th day of the delivery month (If it is a public holiday, the Last Trading Day shall be the 1st business day after the holiday) |
| Delivery Period | 5 consecutive business days after the last trading day |
| Grade and Quality Specifications | Standard Product: tin ingot as prescribed in the National Standard of GB/T 728-2010 Sn99.90A, with the content of tin > 99.90%.  Substitutions: tin ingots as prescribed in the National Standard of GB/T 728-2010 Sn99.90AA, with the content of Tin > 99.90%, or as prescribed in the Sn99.95A or Sn99.95AA, with the content of tin > 99.95%, or as prescribed in Sn99.99A, with the content of tin > 99.99%. |
| Delivery Venue | SHFE Certified Delivery Warehouse |
| Minimum Trade Margin | 5% of contract value |
| Minimum Warranted Delivery Size | 2 tons |
| Settlement Type | Physical Delivery |
| Contract Symbol | SN |
| Exchange | SHFE |

(2) Adjust the trade margin throughout the life of the mock nickel and tin futures contracts (approach the delivery period):

**]Margins required throughout the life of the nickel and tin futures contracts**

|  |  |
| --- | --- |
| Timing | Margin Rate |
| As from the date of listing | 5% |
| As from the first trading day of the first month prior to the Delivery Month | 10% |
| As from the first trading day of the Delivery Month | 15% |
| As from the second trading day prior to the last trading day | 20% |

1. Trade margin for the nickel and tin futures contracts based on the amount of open interests:

**Margins required for the nickel futures contracts based on the amount of open interests**

|  |  |
| --- | --- |
| As of the first trading day of the third month prior to the delivery month, when the open interest (X) amounts to | Margin rate (Nickel) |
| X≤240,000 | 5% |
| 240,000＜X≤360,000 | 8% |
| X＞360,000 | 10% |

Note : X refers to the gross open interest in lots of all the longs and shorts of a futures contract.

**Margins required for the tin futures contracts based on the amount of open interests**

|  |  |
| --- | --- |
| As of the first trading day of the third month prior to the delivery month, when the open interest (X) amounts to | Margin rate (Tin) |
| X≤60,000 | 5% |
| 60,000＜X≤90,000 | 8% |
| X>90,000 | 10% |

Note : X refers to the gross open interest in lots of all the longs and shorts of a futures contract.

1. Percentage-based and fixed-amount Position Limits in effect throughout the life of mock nickel and tin futures contracts of Futures-firm Members (FFMs), Non-futures-firm Members (Non-FFMs) and customers that participate in mock trading:

**Percentage-based and fixed-amount Position Limits in effect throughout the life of mock nickel and tin futures contracts**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | From the date of listing to the Delivery Month | | From the date of listing to the last trading day of the second month prior to the Delivery Month | | First month prior to the Delivery Month | | Delivery Month | |
| Open interest  in one futures contract (lots) | Position limit ratio (%) | Position limits (in lots) | | Position limits (in lots) | | Position limits (in lots) | |
| FFM | Non-FFM | Customer | Non-FFM | Customer | Non-FFM | Customer |
| Nickel | ≥240,000 | 25 | 9000 | 9000 | 3000 | 3000 | 600 | 600 |
| Tin | ≥60,000 | 25 | 2000 | 2000 | 600 | 600 | 200 | 200 |

Note: The “open interest in one futures contract" in the table shall be calculated on a two-sided basis, and the position limits on FFMs, Non-FFMs and customers on a one-sided basis; and the position limits on FFMs shall be the Baseline Position Limit.

1. The margin requirements for mock trading of nickel futures contract is tentatively set at 7% of the contract value, and the price limit tentatively at 5%, and that of tin contract: 5% of the contract value with the price limit at 4%. On the opening day of mock trading, the price limit is two times the tentative price limit (for nickel contracts, within 10% above or below the benchmark price, and for tin contracts, within 8% above or below the benchmark price).

3. Cash settlement is adopted for mock contract using the settlement price on the last trading day of the contract as the benchmark price of delivery settlement. Delivery process is not mimicked in the mock trading.

4. The initial fund in the account of each customer participating in mock trading is RMB 10 million, and no augmentation is allowed during the mock trading. Opening a new position is not allowed when the fund balance in the account is lower than zero.

5. For other trading, settlement and risk control regulations with respect to mock trading, see the Notification on Seeking Advice on the Nickel and Tin Futures Contract and Relevant Rules of the Shanghai Futures Exchange.